UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/757,209	01/14/2004	Christopher Todd Angle		3566

7590 02/19/2008

CHRISTOPHER ANGLE
19 TOPLEDGE ROAD
REDDING, CT 06896

EXAMINER	
NEWTON, JARED W	
ART UNIT	PAPER NUMBER
3693	
MAIL DATE	DELIVERY MODE
02/19/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/757,209	ANGLE, CHRISTOPHER TODD	
	Examiner	Art Unit	
	JARED W. NEWTON	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 January 2004*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *14 January 2004* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claim 1 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. In particular, one of ordinary skill in the art at the time of the invention would not be able to ascertain how an "investor recognizes the U.S. dollar depreciation risk" (line 7). It is unclear how the step of recognizing risk would triggered.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 1 is rejected as failing to define the invention in the manner required by 35 U.S.C. 112, second paragraph.

The claim is narrative in form and replete with indefinite and functional or operational language. The steps which go to make up the process must be clearly and positively specified. The steps must be organized and correlated in such a manner as to present a complete operative process. The claim(s) must be in one sentence form only.

In particular, the following recitations render the claim indefinite:

- "A process for international investors in Fixed Income Securities (Bonds)..." (line 1). One of ordinary skill in the art would not know whether the invention is for bond investors, or more broadly, fixed income investors.
- "The investor (using the collateral of his bond portfolio) establishes a futures hedge" (line 7). It is unclear whether the claim requires the recitation in parentheses.
- "using the collateral of his bond portfolio" (line 7). The terms "the collateral" and "his bond portfolio" lack antecedent basis in the claim. The collateral and bond portfolio are not established elements of the claim, and therefore one of ordinary skill in the art would not know how to use them to establish a hedge.
- "investor's home currency, e.g. Japanese yen" (line 8). Abbreviations such as "e.g." and "etc." are inherently indefinite because they do not clearly set forth that which the claim requires. Here, one of ordinary skill in the art would not be able to ascertain the limits of "home currency," which may only include the Japanese yen, or which may include any currency.
- "instead of the Inter-Bank" (line 10). It is inherent within claim requirement of using the futures market that other methods are not used. A potential infringer would not know how to determine whether he infringed, if, for

instance, he used a Futures Market without considering any other methods.

- "the bond portfolio" (lines 9-10). This limitation lacks antecedent basis as set forth above.

The following is an exemplary claim that will overcome the foregoing rejections. Applicant is reminded that he is not required to adopt this recitation.

A process for international investors in fixed income securities, such as bonds, to use a futures market hedge to reduce foreign exchange risk, said process comprising the steps of:

converting the international investor's local currency to United States Dollars;

purchasing United States fixed income securities from a securities broker or dealer;

establishing a futures hedge position from a futures commission merchant in the investor's home currency; and

using the futures hedge to hedge against risk of depreciation of the United Stated Dollar.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claim 1 is rejected under 35 U.S.C. 103(a) as being unpatentable over Srinivasan & Youngren, *Using Currency Futures to Hedge Currency Risk*, Chicago Mercantile Exchange (hereinafter Srinivasan). Note: Date of Srinivasan shown in *Using Currency Futures to Hedge Currency Risk*, Jan. 2003.

In regard to claim 1, Srinivasan discloses a process for international investors in fixed income securities to use a futures market hedge to reduce foreign exchange risk, said process comprising the steps of:

converting the international investor's local currency to the currency of a country from which the securities are issued (see Srinivasan, page 5, Example 1);

purchasing the fixed income securities from a securities broker or dealer (it is inherent that the disclosed "CETES" securities would be purchased from a broker/dealer);

establishing a futures hedge position from a futures commission merchant (Srinivasan discloses purchase of the hedge through the "Chicago Mercantile Exchange" – see e.g. page 4) in the investor's home currency (Srinivasan recites, "After

assessing the available alternatives, the U.S. hedge fund chose to hedge with exchange-traded Mexican peso futures contracts" – see page 5); and

using the futures hedge to hedge against risk of depreciation of the United Stated Dollar (see id.).

Srinivasan does not disclose the international investor being a non-United States investor or the fixed income security being a United States security.

The level of ordinary skill in the art would be a general understanding of international investments, hedging and futures contracts.

It would have been obvious to one of ordinary skill in the art at the time of the invention to utilize the strategy set forth by Srinivasan (see page 5, Example 1) to allow a non-United States-based investor to invest in United States fixed income securities. Srinivasan discloses the investment in Mexican fixed income securities by a United States investor wherein the United States investor hedges against potential decline in the Mexican Peso versus the US Dollar by establishing a futures position on the US Dollar. In view of this teaching, it would have been obvious to one of ordinary skill in the art to utilize the method of Srinivasan to allow a Mexican investor to invest in US fixed income securities and hedge risk of potential decline of the US Dollar versus the Mexican Peso by establishing a futures position. Simply stated, it would be obvious to substitute the location and currency of the investors and securities disclosed by Srinivasan with other locations and securities.

Conclusion

With respect to the above rejections, the Examiner has cited particular portions of the reference(s), and although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that the Applicant consider each cited reference in its entirety as potentially teaching the limitations of the claimed invention.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- US Patent Application Publication No. 2003/0149651 to Boyle et al.
- US Patent Application Publication No. 2004/0199442 to Haberle
- Garber and Spencer, *Foreign exchange hedging and the interest rate defense*, International Monetary Fund Staff Papers, vol. 42, no. 3, 1995. p. 490.
- McCarthy, *Currency Trading: Dollar Breaches Trend Lines Against Counterparts*, Wall Street Journal. New York, N.Y.: May 2002. pg. C.12.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JARED W. NEWTON whose telephone number is (571)272-2952. The examiner can normally be reached on M-F 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

JWN
February 11, 2008